

AFRICAN UNION

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Addis Ababa, ETHIOPIA**

EX.CL/117 (V)

**REPORT OF THE CHAIRPERSON ON THE 2ND
ORDINARY SESSION OF THE CONFERENCE OF AU
MINISTERS OF TRADE HELD IN KIGALI, RWANDA
FROM 24 TO 28 MAY, 2004**

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Introduction

During the Maputo Summit the Heads of State and Government made two decisions in the area of Trade, namely Assembly/AU/Decl.4(II) whereby it requested the Chairperson of the Assembly, in consultation with the AU Commission, to set up a negotiating team, to negotiate on behalf of its member States which are member States of the World Trade Organization (WTO).

The Assembly of Heads of State and Government of the African Union also decided in Assembly /AU/Decl.5(II) to mandate the Commission of the AU to coordinate, monitor and harmonize the efforts of the concerned Regional Economic Communities (RECs) and Member States in the negotiations of the Economic Partnership Agreement with the European Union (EU); to establish appropriate Mechanism for Cooperation and Coordination between the Permanent Representatives Committee (PRC) in Addis Ababa, the African Group of Ambassadors and Negotiators in Brussels and Geneva as well as the capitals of Member States. They further requested the establishment of a Joint AU/EU Monitoring Mechanism to include the various African regional negotiating Groups/RECs.

In accordance with the above Maputo Decisions and within the broad context of the legislative authority of Article 14 of the Constitutive Act of the African Union which establishes the specialized technical committee on Trade, Customs and Immigration, as well as in conformity with Articles 29 and 42 of the Abuja Treaty which provides the operational framework for cooperation in the Trade and Customs sectors the Commission of the African Union (AUC) organized the 2nd Ordinary Session of the Conference of AU Ministers of Trade in Kigali-Rwanda from 228 May 2004.

This report therefore seeks to inform the Executive Council (Council) on the outcome of the said Conference.

Main Outcome of the Conference

The main issues on the agenda of the Trade Ministers included:

- a. WTO Negotiations under the Doha Development Agenda (DDA)
- b. Negotiations for the Economic Partnership Agreement (EPA) under the ACP-EU Cotonou Accord.
- c. The African Growth and Opportunity Act (AGOA)
- d. The process of establishment of the African Common Market.

- e. Establishment of the African Customs Network.
- f. Reform of the All-Africa Trade Fair.
- g. Consideration of the Business Plan for the Proposed African Commodity Exchange.
- h. Conditions for the Economic Empowerment of Women.
- i. Protecting Consumers in the context of market liberalization and globalization.
- j. The re-engineering of ARSO.

WTO Negotiations

Under this item the Ministers had the opportunity to review the developments that have taken place since the collapse of the negotiations in Cancun-Mexico during the 5th Conference of the World Trade Organization. In this context it is to be recalled that, as a result of the decision of the AU Assembly of Heads of State and Government the African Group was led by the Hon. Cutaree, the Minister of Trade of the Republic of Mauritius, as the Spokesperson. During the negotiations, the African Group formed an alliance with the Group of Least Develop Countries (LDC) and the African, Caribbean and Pacific Group. This alliance has resulted in what is now called the Group of 90 (G90).

In Kigali the Ministers took note of a number of consultations which have taken place involving other development partners with the aim of putting back on track the Doha Development Agenda. In this regard Council is invited to endorse the decision of the Trade Ministers that:

- a. Africa must remain engaged in the WTO negotiations and contribute positively to efforts aimed at re-invigorating the Doha Work-Programme in which development issues should remain centre-stage.
- b. The July 2004 WTO General Council Meeting should be an opportunity for all parties in the negotiations to show flexibility in their positions in order for the negotiations to resume.
- c. The following two documents shall provide technical guidance and political space to enable the African Trade officials and negotiators to get engaged with their counterparts:
 - 1. The Kigali Declaration on the Doha Work Programme
 - 2. The Kigali Consensus on the Post-Cancun Doha Work Programme.

Negotiations for ACP-EU Economic Partnership Agreements (EPAs)

The Trade Ministers note that a total of 47 AU Member States had configured themselves into four geographical regions for the purpose of negotiating the Economic Partnership Agreements with the European Union. Their attention was drawn to the problem posed by their multiple and over-lapping membership of Regional Economic Communities (RECs) in the EPA geographical configurations and equally to the difficulty

which the lack of coherence between the EPA configurations and the regional integration groupings could pose for the African integration process.

The Ministers were briefed on the state of Africa's preparedness of the African EPA regions. They noted that all the four regions had established their negotiating structures and prepared mandates and road maps. Three of the regions (Central Africa, Western Africa, Eastern and Southern Africa) had already launched their EPA negotiations with the EU which the fourth, SADC, is scheduled to launch its own negotiations on 8 July 2004 in Windhoek, Namibia.

In this regard the attention of the Ministers was drawn to the need for the establishment of appropriate mechanisms to coordinate the positions of all African regions in the EPA negotiations. In this context the Ministers recognized that during the AU Summit in Maputo held in July 2003 a decision was taken to establish an AU-RECs and EC-AU/RECs Coordination mechanisms. The Ministers took note of the efforts deployed so far by the AU Commission in terms of the draft Memoranda of Understanding (MOU) that have been prepared in respect of the two mechanisms. It also took note that the EU Commission had indicated its preference for a coordinating mechanism within the framework of the Ministerial Troika of the Africa-Europe Summit Process.

In light of the foregoing Council is invited to endorse the decisions of the Ministers of Trade as follows:

- i. That the Unity of Africa must be maintained in the EPA negotiations. The EPA negotiations must not undermine the process of African integration. The African Union should speedily conclude, before substantive negotiations begin, the establishment of the coordinating mechanisms that will enable African regions to exchange experiences and have common positions on key issues in the negotiations with the EU.
- ii. Coherence and consistency must be maintained in and between EPA and WTO negotiations. The EU offer in the WTO negotiations in favour of weak and vulnerable economies should be taken into account in the EPA negotiations.
- iii. African countries should mobilize their own internal resources for capacity building and pursuit of EPA negotiations with the EU. To that end the support of the African Capacity Building Foundation (ACBF) should be explored.
- iv. The Commission of the AU should urgently finalize the two Memorandums of Understanding with the RECs/negotiating Groups on the continental Coordination and Monitoring Mechanism on the one hand and the Joint Monitoring Mechanism between the AU Commission and the European Commission on the other; to that end request the ACP Secretariat and the Chairpersons of the various Negotiating Groups to forward to the Commission of the AU on the basis of which the Commission of the AU should organize the first Coordination meeting in the last quarter of 2004.

The African Growth and Opportunity Act (AGOA)

The subject of AGOA was also extensively and passionately discussed by the Ministers of Trade. The Conference recognized that a number of eligible African countries have benefited from AGOA and that prospects exist for Africa's trade expansion to the U.S. market. In this regard they called for the extension of the third country fabric facility which expires in September 2004. They urged the U.S. Congress to pass the draft "AGOA III" as soon as possible. In this regard they mandated the Minister of Trade, Industry, Investment Promotion, Tourism and Cooperatives of the Republic of Rwanda, the Chairperson of the Conference of African Union Ministers of Trade, Hon. Prof. Nshuti Manasse, to arrange to appear before the U.S. Congress to give testimony, by way of advocating for the passing of AGOA III.

The difficulties posed by the Initiative, such as conditionalities and eligibility criteria as well as the geographical coverage of AGOA, were strongly highlighted for redress. To this end Council is invited to endorse the decisions of the Ministers of Trade. Accordingly Council may wish to recommend to the Assembly of Heads of State and Government of the AU:

To urge the U.S. Congress to expedite the passing of "AGOA III Acceleration Act of 2004" as presented to the U.S. Congressional Committee of Ways and Means; and to get more personally involved in the AGOA III Acceleration Act process by inter-alia encouraging the U.S. Congress to renew the AGOA beyond 2008 and extend it until 2008, the provision on third-country fabric scheduled to expire in September 2004; as well as approve the Rules of Origin that would enable AGOA beneficiary countries to cumulate inputs originating from all AU Member States in respect of their exports to the U.S.A.

PROCESS OF THE CREATION OF THE AFRICAN COMMON MARKET

The Ministers were reminded about the institutional framework for the establishment of the African Common Market as defined in the Constitutive Act of the African Union, the Abuja Treaty establishing the African Economic Community and the different Treaties of the Regional Economic Communities which collectively aim at completing the regional integration of the continent by consolidating the economies of Member States into a single continental market. In this context, the Ministers reviewed the implementation status of the various trade liberalization schemes at the level of the RECs.

The Ministers took note of the critical issues confronting the integration process such as multiple membership in the RECs, loss of revenue resulting from the implementation of trade liberalization schemes, elimination of non-tariff barriers and the need to ensure peace and security within the RECs.

THE ESTABLISHMENT OF THE AFRICAN CUSTOMS NETWORK

The Ministers, while reviewing the state of implementation of the various trade liberalization schemes of the RECs, recognised that existing RECs are currently implementing their respective Customs Programmes. Indeed, the COMESA Free Trade Area is expected to develop into a Customs Union by December 2004 and in light of the above, Ministers welcomed the conclusions of the Algiers Conference of Directors General of Customs Administrations held in Algiers in February 2004.

Accordingly, the Executive Council of the AU is invited to endorse their decisions to:

- i. Create and operationalize the sub-Committee of Directors General of Customs as an organ of the AU Specialised Technical Committee on Trade, Customs and Immigration.
- ii. Set up a Customs Network linking up the Commission of the AU, the Customs Departments of the RECs and the national Customs Administrations.
- iii. Welcome the cooperation between the African Union Commission and the Swedish International Development Cooperation Agency (SIDA) resulting in the Draft Study entitled “A Modern Customs Knowledge Project for Africa” and requests the Commission of the AU to implement the directives of the AU Ministers of Trade in this regard.
- iv. Invite other donor agencies such as the World Customs Organization (WCO), the World Trade Organization (WTO), the United Nations Development Programme (UNDP) to provide financial and technical support to the AU Commission in support, inter-alia, of the Customs Network and the Sub-Committee of Directors General of Customs.
- v. Request the AU Commission to report periodically to Council on its Customs Programme.

REFORM OF THE ALL-AFRICA TRADE FAIR

The Ministers of Trade considered the interim Report and approved the terms of reference for the study on the Reform of the All-Africa Trade Fair. Council is invited to re-affirm the objective that the All-Africa Trade Fair should create awareness among African business committees about available African goods and services; and that the Reformed All-Africa Trade Fair should be venues for exporters and importers to meet, discuss and conclude trade deals.

Council is invited to endorse the other decisions taken by the AU Ministers of Trade on the matter and accordingly request the Commission of the AU to proceed with their implementation and report periodically to Council on the matter.

BUSINESS PLAN FOR THE PROPOSED AFRICAN COMMODITY EXCHANGE

The AU Ministers of trade took note of the Progress Report submitted by the Commission on this mandate and the interim draft Business Plan for the Proposed Africa Commodity Exchange.

Council is invited to endorse the directives of the Ministers of the AU Commission which inter-alia require the constitution of a small group of countries which have strong Commodity boards to go into the details of the Business Plan and come up with recommendations to be submitted to the AU Commission.

Council is further invited to request the Commission of the AU to carry out consultations with AU Member States with a view to constitute the Technical Working Group of Member State Commodity Boards to move forward the process creating the African Commodity Exchange.

Council should also request the Commission to intensify its search for technical assistance and endeavour to collaborate with relevant institutions and interested partner developed countries to assist Africa to address its commodity problems; and to that end welcome the draft proposal for a Fast Track Project regarding the holding of an Africa Stakeholders' meeting on the African Commodity Exchange being developed jointly by the AU Commission and the Common Fund for Commodities.

CONDITIONS FOR THE ECONOMIC EMPOWERMENT OF WOMEN

The Ministers considered a paper presented by the Commission on the above subject within the contexts of the Abuja Treaty of 1991, the Dakar Platform of Action adopted in 1994 at the 5th African Regional Conference on Women, the Beijing Platform of Action adopted in 1995 during the 4th World Conference on Women, respectively.

The paper was supplemented by two presentations made by experts from Interface and Africa Harvest Bio-technology International which aim at building the capacity of women in agricultural production, agro-industry and trade sectors.

The Ministers, inter-alia, recognised the complex nature of the issue of the economic empowerment of women and the need for Heads of States and Government to provide political commitment in dealing with the cross-sectoral nature of the issue.

Council is invited to endorse the decisions of the AU Trade Ministers, which include:

1. The need for African Union Members to formulate and implement a national policy for the economic empowerment of women which affords them real business opportunities on national, regional and international markets.
2. Specific and relevant programmes should be established for the development of women's entrepreneurs, which will facilitate the access of women to land, loans, technological innovations and research results in terms of business opportunities, and
3. The African Peer Review Mechanism should evaluate annually the policies of Member States vis-à-vis the economic empowerment of Women.

PROTECTING CONSUMERS IN THE CONTEXT OF MARKET LIBERALIZATION AND GLOBALIZATION

The AU Ministers of Trade were seized of the challenge posed to Members States to protect the welfare of their nationals against inter-alia, dangerous products, sub-standard goods and unfair business practices.

Council is invited to endorse the decision of the Ministers of Trade and inter-alia promote consumer education in their countries.

STANDARDISATION ISSUE

The Ministers of Trade considered the importance of standardization for both intra-African trade and multilateral trade. In this connection, the Ministers took note of the Report and Recommendations of the Workshop of the African Regional Standardisation Organisation (ARSO). In this context, the AU Executive Council is invited to encourage increased country-membership and participation of AU Member States in ARSO and its activities; and encourage AU Member States to enhance their participation in international standardisation; to encourage its Member States to commit adequate resources to standardisation, conformity assessment and related matters; promote the development of a quality culture in each Member of the Union; apply the principles of harmonisation of standards as laid down in the WTO/TBT and SPS Agreements.

CONCLUSION

Council is invited to consider this report as well as its subsequent Draft Decisions and adopt them.

The full Report of the Conference as well as its appendices are annexed to this report.

EX.CL/117 (V)
Annex I

REPORT OF THE SECOND ORDINARY SESSION
OF THE AU CONFERENCE OF MINISTERS OF
TRADE, CUSTOMS AND IMMIGRATION

**REPORT OF THE SECOND ORDINARY SESSION OF THE AU
CONFERENCE OF MINISTERS OF TRADE, CUSTOMS
AND IMMIGRATION**

INTRODUCTION

1. The Second Ordinary Session of the AU Conference of Ministers of Trade, Customs and Immigration convened at the level of Ministers from 27 to 28 May 2004 at the Conference Centre of Intercontinental Hotel in Kigali, Rwanda. The opening ceremony was presided over by Hon. J. K. Cuttaree, the Minister of Foreign Affairs, International Trade and Regional Cooperation of Mauritius in his capacity as outgoing Chairperson of the Conference. The guest of honour was H.E. Mr. Paul Kagame, President of the Republic of Rwanda.

ATTENDANCE

2. The meeting was attended by the following countries: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Republic of Congo, Egypt, Ethiopia, Gabon, Ghana, Guinea, Kenya, Lesotho, Mali, Mauritania, Mauritius, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, The Sudan, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.

3. The following Regional Economic Communities (RECs) participated in the meeting: Common Market for Eastern and Southern Africa (COMESA), Community for Sahelo-Saharan States (CEN-SAD) and the Southern African Development Community (SADC).

4. The following African and international organizations, as well as NGOs were also represented at the meeting as observers: African Capacity Building Foundation (ACBF), Africa Harvest Biotech Foundation International, African Regional Organization for Standardization (ARSO), Africa Trade Network, Rwandan Consumers Association, Common Fund for Commodities (CFC), Consumers International Africa, African Economic Research Consortium (AERC), Department for International Development (DFID), Econews Africa, ENDA Tiers Monde, European Union, FAO, ILEAP, Interface Network, International Trade Centre (ITC), KIST, Organisation Internationale de la Francophonie (OIF), OXFAM, Rwanda Network Computer, SEATINI Kenya, Swedish International Development Agency (SIDA), United Nations Economic Commission for Africa (UNECA), WAEMU, World Bank, Third World Network (TWN), UN Conference on Trade and Development (UNCTAD), United Nations

Development Programme (UNDP), World Health Organization (WHO), and the World Trade Organization (WTO). The full list of participants is attached as Annex 1.

PROCEEDINGS

Agenda Item 1: Opening of the Meeting

REMARKS BY OUTGOING CHAIRMAN, HONOURABLE J.K. CUTTAREE, MINISTER OF FOREIGN AFFAIRS, INTERNATIONAL TRADE AND REGIONAL COOPERATION OF MAURITIUS

5. In his brief remarks, the Outgoing Chairman of the AU Conference of Ministers of Trade, Honourable J. K. Cuttaree, Minister of Foreign Affairs, International Trade and Regional Cooperation of Mauritius, gave an account of the work accomplished during his mandate and provided insight about challenges lying ahead for the African Group.

6. He recalled the strength and unity displayed by Africa in Cancun and its capacity to collectively evolve negotiating positions to address its concerns. He further referred to a series of missed deadlines where issues of direct concern to Africa, encompassing special and differential treatment, and implementation issues were being neglected. He also drew attention to drastic proposals that had been tabled at the level of the WTO Negotiating Group on market access. He expressed concern that these proposals ignored the implications of tariff reductions on government revenue, erosion of trade preferences, the African industrialisation process and overall development.

7. He commended the African Group for having adopted the Mauritius Declaration which enunciated the position of Africa on the key negotiating issues of Cancun and the emergence in Cancun of the G90 comprising the AU, ACP and LDC and which played an important part in shaping the content and direction of the future work under the DDA. In referring to the many caucus and mini-ministerial meetings to which he was invited as Chair of the AU Group, he pointed out that Africa's participation led to the dissipation of the impression that Africa was not interested in moving forward the negotiating process.

8. He then welcomed the positive initiative taken at the LDC Trade Ministers Meeting in Dakar from 4 to 5 May 2004 by the EU in favour of the weak and vulnerable economies. He added that it was important for Africa

to have a formalized and structured co-ordination process at G-90 level in order to facilitate contact and discussions with other WTO partners and also in order to send the correct signal to the international community on the real intentions of the group. He also stressed the need to work towards a successful completion of the DDA. He underscored the importance for Africa to keep its solidarity at the level of the AU whilst participating fully in the G90. He further urged that the outcome of the Kigali meeting should contain recommendations which would enable Africa to play its role and defend its rightful interests in the course of the negotiations.

9. Finally, he thanked all Ministers for their support during his chairmanship and wished the Incoming Chair all the very best for the coming year.

WELCOMING STATEMENT BY HONOURABLE PROF. NSHUTI MANASSE, MINISTER OF TRADE, INDUSTRY, INVESTMENT PROMOTION, TOURISM AND COOPERATIVES OF RWANDA

10. The Hon. Prof. Nshuti Manasse, Minister of Trade, Industry, Investment Promotion, Tourism and Cooperatives of Rwanda addressed a brief welcoming statement to the AU Ministers of Trade, attending the 2nd AU Conference in Kigali, Rwanda.

11. He also expressed his appreciation to the Outgoing Chairman of the AU Conference of Trade Ministers, Hon. J.K. Cuttaree, Minister of Foreign Affairs, International Trade and Regional Co-operation of Mauritius for the exemplary service he has rendered to the Group and to the entire African Union Negotiating Team on WTO and EPAs over the last one year.

STATEMENT BY THE REPRESENTATIVE OF THE ECONOMIC COMMISSION FOR AFRICA

12. Taking the floor on behalf of Dr. K. Y. Amoako, Under Secretary General of the United Nations and Executive Secretary of the Economic Commission for Africa, Mr. Hakim Ben Hammouda, Director of the Trade and Regional Integration Division first thanked the Outgoing Chair for having succeeded in maintaining the unity of the African Group and facilitating the negotiation of major alliances through the G90 to ensure that the voice of African countries was heard.

13. Convinced that Africa's increased participation in the multilateral system remains a prerequisite for the development of African economies as

well as a crucial component of the continent's sustainable economic growth strategy, the Representative of the ECA urged African countries to continue to focus their post-Doha negotiation efforts on the agricultural aspect, the issue of industrial products (NAMA), the agreement on intellectual property and public health, the development dimension, Singapore Issues and lastly, Cotton.

14. The Representative of the ECA said he believed that the deliberations of the present session of the Conference would prove extremely useful for the future of trade negotiations of the Doha Development cycle and in strengthening Africa's position. While welcoming the existing collaboration between the AU and ECA Commissions, he reaffirmed the commitment of the ECA to spare no efforts to reinforce the position of African countries in multilateral negotiations at sub-regional and national levels. In this regard, he informed the Meeting about the opening of an ECA Office in Geneva which is working in close collaboration with the African Union Office and the African Group in WTO. The ECA also launched the African Centre on Trade Policies whose objective is to provide African countries with the necessary technical support.

15. Furthermore, he intimated that the ECA was currently carrying out a series of technical studies in the different fields, including studies on the impact of the agricultural subsidies of OCDE countries, NAMA issues and the impact of EPAs on African countries. These studies would undoubtedly be of great value for African countries. In conclusion, he wished the Second Session of the Conference of African Ministers of Trade every success in its deliberations.

STATEMENT BY MR. ROLF BOEHNKE, MANAGING DIRECTOR OF THE COMMON FUND FOR COMMODITIES

16. The Managing Director of the Common Fund for Commodities, Mr. Rolf Boehnke made a statement to the 2nd AU Conference of the Ministers of Trade meeting in Kigali, Rwanda.

17. In his statement, he reiterated that trade of African countries rested on commodities and yet, the commodities issues in the context of international trade negotiations had been ignored by the international Community for a long time.

18. He gave a narrative on the role the Common Fund for Commodities had been playing in giving seed capital to finance commodity activities and

in attracting resources from other institutions to finance commodities in order to unlock the potential in resources of the commodity producing countries. In this regard, he informed the Conference that to date the Fund has a cumulative project portfolio of 180 projects with a financial volume of 380 million US Dollars.

19. He concluded by reiterating that the economic and social advancement of the African people depended on action taken on commodities by the international community, and on the Common Fund for Commodities playing its rightful role in this respect.

STATEMENT BY MR. JEREMY LESTER, THE DELEGATE OF THE EUROPEAN COMMISSION

20. In his address, the EU representative put greater emphasis on WTO and EPA negotiations. He called for the Conference to come out with a declaration that clearly sets out priorities and concerns of the AU and gives a strong and positive impetus to the DDA Work Programme. He added that EU was ready to make further movement on export subsidies, on Singapore Issues and a package on concessions for the poorest and weakest members, which movement had been received positively by most WTO Members. He called on the Meeting to give adequate flexibility to the Kigali Declaration so as to provide sufficient latitude for negotiations in Geneva in July 2004.

21. The questions of development, Singapore Issues, NAMA and agriculture were also touched upon. The EU stated that it fully supported AU's vision of an integrated Africa based on RECs and that it was committed to working with the AU on the resolution of concerns in respect of EPAs. He added that although future funding to Africa were always high on EU's agenda, the AU should look beyond aid to private investment at all levels.

22. He concluded by stating that Africa should, under the coordination of the AU, shape the EPAs in order to maximise its development potential.

STATEMENT BY MR. THEMBA MASUKU, PERSONAL REPRESENTATIVE OF MR. JACQUES DIOUF, DIRECTOR GENERAL OF FAO

23. Mr. Themba MASUKU, the Personal Representative of Mr. Jacques Diouf, Director General of FAO made a statement on behalf of this Organization.

24. After highlighting the importance of the agricultural sector in African trade and in the growth and development of Africa, Mr. Masuku recalled the role played by the FAO in preparing member countries for the WTO multilateral trade negotiations on agricultural issues. He highlighted the technical assistance provided by FAO to WTO African Member countries in the area of trade in agricultural products, in order to minimize the possible negative effects of trade and contribute positively to food security.

25. He added that the FAO provides and will continue to provide its technical assistance on trade issues:

- At regional level, by organizing workshops for the purpose of shedding light on the links between trade, economic development and food security; clarifying the rights and obligations related to WTO agreements, particularly the different agreements on Agriculture and trade in agricultural products, as well as food security;
- At the level of the Commission and NEPAD, in mapping out the African Agricultural Development Programme and formulating the plan of action of this programme;
- At the AU Commission, through the realization in 2003 of a technical study on the possibility of establishing an African common market of agricultural products. The FAO representative went on to state that in its bid to expand the technical study for the establishment of this market, the FAO approved a technical cooperation project to be implemented between March 2004 and September 2005, intended to give the AU a better understanding of the obstacles to national and regional trade for better integration of markets;

26. Finally, he informed the Ministers that at the level of WTO Member countries, the FAO provides countries with technical assistance to improve the harmonization of their national agricultural and food security policies under WTO; and to non-WTO member countries in their preparations to accede to WTO by organizing Round Tables and the publication of documents on issues pertaining to African trade negotiations.

STATEMENT BY DR. SUPACHAI PANITCHPAKDI, THE DIRECTOR GENERAL OF THE WORLD TRADE ORGANIZATION (WTO)

27. In his statement Dr. Supachai Panitchpakdi pointed out that African countries had a big stake in the WTO's Doha Development Agenda (DDA) and in the general effort of building a stronger multilateral trading system. To that end, he pointed out that there was a strong and growing resolve from many quarters of the WTO Membership to advance the negotiations in a concrete way during the forthcoming summer.

28. Dr. Supachai reported that since the beginning of 2004 there had been a series of Trade Ministerial meetings held in Cairo, Mombassa, Cotonou, Abuja and Dakar during which Ministers had been showing flexibility in key areas through the adoption of meaningful frameworks in Agriculture, Non-Agricultural Market Access and other relevant areas.

29. Regarding the forthcoming meeting in July, he underscored the need to achieve frameworks for the modalities on Agriculture and Non-Agricultural Market Access and the urgency to reach agreement on the issue of Cotton and the "Singapore Issues". He expressed the view that without movement on those issues there would be no movement at all.

30. Dr. Supachai went on to highlight the various positions as they have emerged so far, including the position contained in the recent letter from the EU to WTO Ministers which, in his view, represented a very significant shift in the EU's position on export subsidies in Agriculture. In respect of the weaker countries he pointed out that recent signals from major players have also given an indication of their relatively modest levels of expectation from the smaller and poorer developing countries. He therefore appealed to African countries to contribute to the emerging convergence for a July package.

31. On Singapore issues he pointed out that the European Union had substantially modified its position and urged Africa to show flexibility as shown by the LDC Ministers in Dakar. On Cotton, the Director General reported that work was about to begin to implement the outcome of the recent workshop in Cotonou. On supply-side constraints, he informed the meeting that the WTO had been working with other development partners with the appropriate mandate to address the issues of concern, including technical assistance and training activities for Africa.

32. Against this background, the Director General appealed to Ministers that their Declaration from Kigali should increase the sense of convergence which acknowledges the flexibility others are showing and reacts positively to them. He also urged that Ministers should arm their negotiators in Geneva with sufficient mandates that would enable them to negotiate and reach deals in July.

STATEMENT BY THE COMMISSIONER OF THE AFRICAN UNION

33. In her opening statement, Mrs. Elisabeth Tankeu, on behalf of H.E. Prof. Alpha Oumar Konaré, the Chairperson of the Commission of the African Union, welcomed the Ministers of Trade of the African Union and all invited guests. She expressed profound gratitude to the host country, the Republic of Rwanda, for the sacrifices made in organizing the Conference during this period of reconstruction after the 1994 genocide.

34. Mrs. Tankeu then reviewed the context in which this Conference was being held, a context marked by the progressive establishment of the organs of the African Union, the imminent resumption of negotiations in WTO and the Eleventh Session of UNCTAD.

35. Mrs. Tankeu commended the congenial atmosphere which prevailed throughout the deliberations and presented an overview of all the issues discussed during the Meeting of Experts. She also reviewed the principal recommendations made on each of the agenda items. It thus emerged that the WTO related issues and those pertaining to UNCTAD were dealt with by a select Committee which made proposals whose adoption would enable the African Union to present a united front at various negotiations. With regard to the next UNCTAD session, the Commissioner called on Africa to support this institution because of the role it plays in the interest of the continent. She reported that the Experts also formulated proposals on the negotiation of the Economic Partnership Agreements in which some countries and RECs are currently engaged. Having intimated that the Coordination Mechanism was being put in place at the level of the African Union Commission, Mrs. Tankeu recalled the agreement concluded between the African Union Commission and the European Union to hold informal consultations on major issues emerging from the negotiations, which would be discussed at the level of the ministerial Troïka.

36. Mrs. Tankeu briefly touched on the economic integration process for which the Experts had painted a rather gloomy picture due to many factors such as the plethora of RECs and the multiple memberships of States in

regional communities. The Experts hoped that this thorny issue would be brought to the attention of the Assembly of Heads of State and Government. Referring to the progress made in the establishment of the Union's organs, the Commissioner urged Member States to facilitate the free movement of persons and goods in order for the concept of the African Union to be a living reality at the level of the populace.

37. She also reviewed the status of implementation of the decisions of the First Ministerial Conference of 2003. In this context, she gave a brief account of the results of feasibility studies on the reform of the All-Africa Trade Fair and the establishment of an African Commodities Exchange. The experts enriched the terms of reference of these studies and recommended that for their finalization, the contribution of other stakeholders should be sought.

38. The Commissioner also mentioned the recommendations made by the experts for the economic empowerment of women and underscored the importance of harmonization and consumer protection issues in the context of the opening of borders resulting from globalization.

39. She concluded by stressing that the decisions made at this Conference would reinforce the African Union's Four-Year Programme of Action and thanked all the partners, who through their support and expertise, contributed greatly to the preparation of this Conference.

OPENING STATEMENT BY H.E. PAUL KAGAME, PRESIDENT OF THE REPUBLIC OF RWANDA

40. In the keynote address to the Conference, the Guest of Honour, H.E. Paul Kagame, President of the Republic of Rwanda, highlighted the key role which trade can play as an engine of growth and an instrument for the achievement of the Millennium Development Goals. He underscored the fact that a vibrant trading system can help to deal with the problem of poverty and marginalisation, hence, Africa needs the multilateral trading system as much as the system needs Africa.

41. Recalling developments that had taken place since the collapse of the 5th WTO Ministerial Conference in Cancun, President Kagame said there was now a mood for change and window of opportunity to resolve the impasse on the DDA Negotiations. He paid tribute to the WTO for keeping the negotiation machinery running, called for flexibility and compromise on all sides to put the negotiations back on track. President Kagame outlined the

concerns of Africa in the negotiations and stressed that Africa needed a united front to get these concerns adequately addressed and to achieve the type of partnership that Africa wants with the rest of the world. He advised that all negotiations and trade that the continent enters into should aim at promoting the economic growth of all African countries without discrimination. With regard to the EPA negotiations, the Guest of Honour called for the creation of a strong mechanism to coordinate Africa's efforts and monitor the whole integration process.

42. President Kagame acknowledged the significant efforts that were being made at the national and regional levels to create an appropriate environment for improving the performance of African countries in global trade. Specifically, he noted the political and economic reforms which many African countries had undertaken as well as the efforts of the Regional Economic Communities. He called for the strengthening and refining of these efforts. His Excellency said that the building of the Pan-African Common Market and the development of intra-African trade were critical for Africa to deal effectively with the outside world.

43. On a final note, President Kagame stated that what the current challenge facing Africa calls for is more action, too much talking having already been done. He urged the Ministers to take action to achieve what Africa wants.

VOTE OF THANKS

44. Honourable Mukhisa Kituyi, the Minister of Trade and Industry of the Republic of Kenya delivered a Vote of Thanks on behalf of his colleagues. He expressed deep appreciation to His Excellency Paul Kagame, President of the Republic of Rwanda, for sparing the time of his rather busy schedule to attend the Conference. This act, he said, was a demonstration of his personal commitment and the dedication of the people and Government of Rwanda to the objectives of the African Union and its trade agenda.

45. He recalled the tragic events of the 1994 genocide and expressed appreciation for the renewed vigour for the reconstruction of Rwanda that has found expression in exemplary President Kagame's leadership.

46. He thanked the President for sharing his thoughts on the issues that have been tabled for discussion by the Ministers and appealed to him and his peers for continued wise counsel and political support in the effort for the creation of the African Common Market, and the WTO and the EPA

negotiation. In conclusion, he thanked the people and Government of Rwanda for the sacrifices that they have made in hosting the Conference.

Agenda Item 2: Election of the Bureau

47. The meeting elected the following Bureau:

Chair	:	Rwanda (East Africa)
First Vice-Chairperson	:	Egypt (North Africa)
Second Vice-Chairperson	:	Congo (Central Africa)
Third Vice-Chairperson	:	Ghana (West Africa)
Rapporteur	:	Zimbabwe (Southern Africa)

Agenda Item 3: Adoption of the Agenda

48. The meeting adopted the following Agenda:

1. Opening of the Meeting
2. Election of the Bureau
3. Adoption of the Agenda
4. Organization of Work
5. Consideration of the Report of the Experts
6. Consideration of the Draft Kigali Declaration on the Doha Work Programme and the Kigali Draft Consensus on the Post-Cancun Doha Work Programme
7. Consideration of the Draft Kigali Communiqué on UNCTAD XI
8. Any Other Business
9. Date and Venue of the 3rd Ordinary Session of the AU Conference of Ministers of Trade, Customs and Immigration
10. Adoption of Ministerial Outcome, i.e. Decisions, Declaration and Consensus on the Post-Cancun Doha Work Programme and Communiqué on UNCTAD XI

11. Vote of Thanks
12. Closure

Agenda Item 4: Organization of Work

49. The meeting adopted the following programme of work:

Morning: 09:00 hrs – 13:00 hrs
Afternoon: 15.00 hrs – 19:00 hrs

Agenda Item 5: Consideration of the Report of the Experts

50. The report of the meeting of Experts was tabled before the Ministers by the Chairperson of the Senior Officials meeting.

Review of the on-going Negotiation Process for the Post-Cancun Strategy and the Way Forward for the Implementation of the WTO Work Programme.

51. In considering the Report of the Meeting of Experts on the ongoing negotiation process for the Post-Cancun Strategy and the Way Forward for the Implementation of the WTO Work Programme, the Ministers appraised each other of the various consultations and initiatives undertaken by WTO Members in the post Cancun period.

52. The Ministers also provided an opportunity to the WTO Director-General to brief them on current developments in on-going deliberations amongst Members prior to the July General Council meeting.

53. They noted that a number of African Ministers had taken part in the consultations which have also involved other development partners towards consolidating progress in the current phase of negotiations. Ministers expressed the view that Africa must remain engaged and contribute positively to efforts aimed at reinvigorating the Doha Work Programme in which its development needs remained a paramount consideration.

54. In approving the Kigali Declaration and the Kigali Consensus, the Ministers affirmed their confidence in their trade officials and negotiators and expressed satisfaction with their work at the 2nd Ordinary Session, as contained in the Kigali Declaration and Kigali Consensus.

55. The Ministers observed the importance of progress at the July General Council meeting as a basis for further progress. To this end, the Ministers acknowledged the need to provide their trade officials and negotiators with the necessary guidance and political space.

56. The Ministers emphasized the importance of solidarity amongst African countries. In acknowledging recent indications for potential progress in addressing some of the concerns of the G90, as contained in the recent communication from the European Commission, the Ministers reiterated that progress should not be made conditional.

57. The Ministers noted that there were areas of convergence between the G90 and G20 and hence the need to maintain a strategic alliance. In this regard, they noted the need to ensure that the G90 and G20 were mutually reinforcing and acknowledged the strategic need to strengthen their unity and solidarity.

58. The Ministers took cognizance of the unique development challenges facing LDCs and supported the call to extend to them, bound duty-free and quota free market access. At the same time, the Ministers noted that the unique differences between developing countries in their levels of economic development manifested a need to consider appropriate measures that would address their development needs in the multilateral trading system. In acknowledging the existing system of country classification, the Ministers noted that there was need to consider the issue of classification with development partners in order to safeguard the unique needs of all developing countries.

Status Report on the Negotiations for ACP-EU Economic Partnership Agreements (EPAs)

59. Ministers discussed the Report of Experts on the negotiations for ACP-EU Economic Partnership Agreements (EPAs) and adopted the following recommendations:

- The unity of Africa must be maintained in the EPA negotiations. The EPA negotiations must not undermine the process of African integration. The African Union should speedily conclude, before substantive negotiations begin, the establishment of coordinating mechanisms that will enable

African regions to exchange experience and have common positions on key issues in the negotiations with the EU;

- African countries that have experience of negotiating with the EU could share such experience with the regions engaged in EPA negotiations with the EU;
- Coherence and consistency must be maintained in and between EPA and WTO negotiations. The EU offer in the WTO negotiations in favour of weak and vulnerable economies should be taken into account in the EPA negotiations.
- African countries should mobilise more of their own internal resources for capacity building and pursuit of EPA negotiations with the EU. The support of the African Capacity Building Foundation (ACBF) should be explored in that regard.

Implementation of the African Growth and Opportunity Act (AGOA)

60. Ministers discussed the implementation of the AGOA at length because the stakes were high for eligible African countries. The Meeting was informed that at the level of the United States Senate only one provision, that of third-country fabrics, was going to be considered for extension for a period of six to twelve months until the new U.S. Administration is put in place. In addition, the Bill has to secure unanimous consent for it to be enacted.

61. Ministers felt that most of the recommendations contained in the Experts' Report related to technical measures aimed at bringing about more benefits to eligible countries. On the other hand, some Ministers felt that more flexibility should be sought regarding AGOA conditionalities which did not relate to international trade. This would enable a greater number of countries to become eligible to the AGOA. Although all Member States unanimously agreed that it was important that all African countries be AGOA-eligible, it was also recognised that the timing was not appropriate to raise the issue with the U.S. Administration and it was wiser to wait a while.

62. In light of the above and taking into account the immense potential benefits from AGOA to African eligible countries, Ministers agreed to:

1. Strongly urge the U.S. Congress to expedite the necessary amendments to the AGOA Act along the lines proposed in the AGOA III Acceleration Act of 2004 as presented by the U.S. Congressional Committee of Ways and Means;
2. Mandate the Chairman of the African Union Trade Ministers Conference to communicate their concerns to the U.S. Congress;
3. Recommend to the Heads of State and Governments of the AU to get more personally involved in the AGOA III Acceleration Act process by *inter-alia* encouraging the U.S. Administration Congress to:
 - a) renew urgently the AGOA beyond 2008 and extend until 2008, the provision on third-country fabrics scheduled to expire in September 2004;
 - b) approve the Rules of Origin that would enable AGOA beneficiary countries to cumulate inputs originating from all AU Member States in respect of their exports to the USA;
4. Request the AU Commission to intensify its efforts to ensure that eligible AU Member States draw maximum benefits from AGOA, both in terms of trade and investment mobilisation. In this regard, the Commission should work closely with AGOA – designated Hubs and collaborate with the USTR and the RECs in order to develop a comprehensive regional work programme for the eligible countries; to that end, a capacity-building programme to enhance the ability of entrepreneurs to exploit business opportunities should be developed.
5. Further recommend to the Heads of State Implementation Committee of NEPAD to secure the opportunity of the G8 meeting in June 2004 to make a strong case for the extension of AGOA, especially as the G8 countries had made commitments to Africa within the framework of NEPAD.

Process of the Creation of the African Common Market

63. The Ministers took note of the progress made in the process of the creation of the African Common Market in respect of the Common Market for East and Southern Africa (COMESA), the Southern African Development Community (SADC) and the Community of Sahelo-Saharan States (CEN-SAD).

64. The meeting recognized that during the meeting of the Experts the representative of CEN-SAD was unable to make his presentation available to the meeting. With the approval of the Ministers, the summary of the activities was authorized to be incorporated in their report as follows:

65. The Representative of the Community of Sahelo-Saharan States (CEN-SAD) briefed the meeting on actions and initiatives implemented within the framework of CEN-SAD with a view to developing and facilitating the flow of trade between CEN-SAD Member States.

66. He stressed that the policy organs of CEN-SAD, bearing in mind Articles 29, 30, 31 and 32 of the Abuja Treaty of 3 June 1999, and pursuant to the provisions of the Treaty of 4 February 1998 establishing the organization, recommended that consultations be carried out to create the necessary conditions for the establishment of a free trade area. According to the Representative of CEN-SAD, the related process is underway, under the technical management of the African Development Bank (ADB), which is supervising a comprehensive study within the context of which all CEN-SAD Member States, all the other Regional Economic Communities, the African Union, ECA, FAO, WAEMU, CEMAC, would be consulted, in a spirit of complementarity, harmonization and exchange of experiences.

Proposal for the Establishment of the African Customs Network

67. The Ministers took note of the conclusions of the Algiers Conference of Directors General of Customs Administrations and the on-going cooperation between the Commission of the African Union and the Swedish International Development Cooperation Agency (SIDA), particularly the recommendations contained in the draft Study entitled a "Modern Customs Knowledge Project". In this connection the Conference, *inter alia* agreed to:

1. the creation and the operationalization of the Sub-Committee of Directors General of Customs as an organ of the AU Specialized Technical Committee on Trade, Customs and Immigration;

2. the setting up of a Customs Network linking up the AU Commission, the Customs Departments of the RECs and the national Customs Administrations;

68. The Conference, while thanking the agencies cooperating with the AU, invited the World Customs Organization (WCO), the World Trade Organization (WTO), SIDA, UNDP and other donor agencies to continue to provide financial and technical assistance to the AU Commission in support of the Customs Network and the Sub-Committee of Directors General of Customs, as well as the implementation of the follow-up activities in respect of the SIDA study project

Proposal for Reforming the All-Africa Trade Fair (AATF)

69. Having taken into account the recommendations of the Experts, the Ministers decided that:

1. A study should be conducted to define the reform of the AATF with a clear objective not limited to promotion of intra-African trade but also promoting Africa's trade with the rest of the world.
2. a) the objectives of the All-Africa Trade Fairs are essentially to create awareness among African business communities about available African goods, commodities and services; as such Trade Fairs should be venues where exporters and importers should meet, discuss and conclude trade deals;
- b) Member States should encourage their SMEs to establish their own associations to help their members to exhibit their products in the All -Africa Trade Fairs.

70. The Ministers approved the Terms of Reference for the Study on the Reform of the All Africa Trade Fair and requested that it should include exploring opportunities for electronic commerce and using the website to promote the marketing of African goods.

71. They also directed that the Study should examine the possibility of developing a network of African Sub-Regional and AU Chambers of Commerce, while exploring their potential contribution, as strategic partner(s) to the reformed AATF and the practical modalities for translating

the said network into an effective AU Association of Chambers of Commerce and Industry.

72. Furthermore, Ministers directed that the study should explore the possibility of forming the Union of All-Africa Trade Fairs, similar to the one in Paris, with resources for assisting trade fairs in Africa.

Presentation of Business Plan for the Proposed African Commodity Exchange

73. The Ministers took note as a Progress Report of the Draft Business Plan for the Proposed African Commodities Exchange prepared by the Commission of the African Union. It accordingly requested the Commission to:

1. constitute a small group of countries that have strong Commodity Boards to go into the details of the Business Plan and come up with recommendations to be submitted to the AU Commission; subsequently;
2. organize five validation workshops at the level of the RECs to be attended by the National Commodity Experts and those of the RECs. The outcome of their deliberations should then be submitted to the AU Conference of Ministers of Trade in 2005, and later to the Executive Council and Assembly;
3. speed up the finalization of the legal instruments as well as the operating systems manual as mandated by the AU Ministers of Trade meeting held in Mauritius, in June 2003.

Report on Preparations for UNCTAD XI

74. In considering the report of the experts on the preparations for UNCTAD XI, the Ministers endorsed the proposal from Tunisia on the need for UNCTAD to be involved in the preparations for the second phase of the World Summit on the Information Society (WSIS). It also noted that the said Summit would take place from 16 to 18 November 2005 and participants would include governments, the civil society and the private sector.

75. The delegation added that the Summit would deal with sensitive development issues to work out practical measures for reducing the digital divide, and promoting a stable and interdependent world society through the

development of ICT partnerships. The Summit would also include the follow-up to the Geneva Programme of Action at national and international levels.

76. In conclusion, the Ministers took note of the report on the preparations for UNCTAD XI and accordingly adopted the attached Kigali Communiqué on UNCTAD XI.

Conditions for the Economic Empowerment of Women

77. The Ministers took note of the proceedings that took place at the level of the Meeting of Experts, particularly the fact that the economic activities of women continued to be restricted to the informal sector. They noted the two presentations made to the Experts by Interface and Africa Harvest respectively, whose activities aimed at building the capacities of women in agricultural production, agro-industry and trade sectors. The Ministers recognized that the issue of the economic empowerment of women is a complex process which is beyond the scope and competence of the Ministry of Trade and therefore necessitated the political commitment of Heads of State and Government which could be translated into a global approach. Nonetheless, the Ministers agreed that:

1. African countries should formulate and implement a national policy for the economic empowerment of women which offers them real business opportunities on the national, regional and international markets.
2. This policy should be evaluated annually by the African Peer Review Mechanism.
3. Specific and relevant programmes should be established for the development of women's entrepreneurship which will facilitate the access of women to land, loans, technological innovations and research results in terms of business opportunities.
4. Women entrepreneurs should be officially invited to participate in the Third Ordinary Session of the AU Conference of African Ministers of Trade in 2005.

Protecting Consumers in a Context of Market Liberalization and Globalization

78. The Ministers recognized the existence of Consumer Protection Rights as enshrined in the UN Resolution 39/248 entitled the “Guidelines for Consumer Protection” and as provided for under Article 51 of the Cotonou Convention. They also noted the need to protect the welfare of Consumers against, *inter alia*, dangerous products, unfair business practices, as well as sub-standard goods. In this connection, Ministers agreed to enter into policy dialogue with their citizenry with a view to enacting the requisite legislation to protect their consumers from all forms of exploitation and all forms of unfair business practices. To that end, the Ministers agreed to promote consumer education in their countries.

Consideration of the Report/Recommendations of the Workshop of ARSO

79. The Ministers took note of the efforts so far deployed by ARSO to re-engineer itself and accordingly agreed to:

1. Encourage country membership and participation in ARSO and its activities.
2. Encourage participation in international standardization.
3. Urge AU Member States to commit adequate resources to standardization, conformity assessment and related matters.
4. Promote the development of a quality culture in their respective member countries.
5. Apply the principles of harmonization of standards as laid down in the WTO/TBT and SPS agreements.
6. Allow ARSO to make progress reports at forthcoming sessions of the Ministers of Trade and Industry.

Consultation Dialogue on the Report and Recommendations of the Africa Trade Network Workshop

80. The Ministers took note of the contribution made by the African Trade Network (ATN) on behalf of the civil society on issues such as Agriculture, Non-Agricultural Market Access (NAMA), Singapore Issues, Special and Differential Treatment and Implementation issues within the contexts of the WTO and EPA negotiations respectively.

Presentation of a Single African Candidate for the Post of Managing Director of the Common Fund for Commodities (CFC)

81. The Ministers took note of the fact that the impending election for the post of Managing Director of the Common Fund for Commodities is scheduled to take place in The Netherlands, from 28 to 29 June 2004. There were three African candidates:

1. Amb. Ali Mchumo - Tanzania
2. Mr. Marubu Munyaka - Kenya
3. Mr. Yahia Benyounes Bouarfa - Algeria

82. The Meeting was also briefed on the outcome of the election proceedings in December 2003 when the Algerian candidate was presented by the AU as the sole African candidate. However, since none of the candidates whether European or African was able to obtain the required two-thirds share of votes, the elections were postponed until June 2004 and fresh nominations were sought. Ministers were also reminded of the deliberations of the AU Candidatures Committee which took place in Addis Ababa in March 2004, during the Meeting of the Executive Council.

83. Bearing in mind that the AU has an established procedure and institutional machinery for presenting a single African candidate for posts in the International System; further taking into account the fact that the elections would take place in June prior to the next meeting of AU Candidatures Committee in June/July 2004, during the Executive Council and AU Summit Meetings, the Ministers decided that the matter should be referred back to the Commission of the African Union to carry out further consultations with the Ambassadors of Tanzania, Kenya and Algeria so as to come up with a single African candidate to present at the said elections. In arriving at this decision, Ministers stressed the imperative need for Africa to present only one candidate.

Agenda Item 6: Consideration of the Draft Kigali Declaration on the Doha Work Programme and the Kigali Draft Consensus on the Post-Cancun Doha Work Programme

84. The Ministers adopted the Kigali Declaration on the Doha Work Programme, and its Annex the Kigali Consensus on the Post-Cancun Doha Work Programme with a few amendments. Both documents are annexed to this Report.

Agenda Item 7: Consideration of the Draft Kigali Communiqué on UNCTAD XI

85. The Ministers adopted the Kigali Communiqué on UNCTAD XI with no amendments. The full text of the Communiqué is annexed to this Report.

Agenda Item 8: Any Other Business

86. One delegation recalled the issue of rising oil prices. The Conference recognized the importance of the matter.

87. The delegation of Mauritius recalled the letter it circulated earlier with regard to a proposed G90 meeting which had been requested for, at the last ACP Council of Ministers. In that connection, Mauritius stated that it had undertaken consultations with the Chair of the LDC Group and with the Secretary General of the ACP Group and that the meeting was being organized by the ACP but hosted by Mauritius. In that regard, it added that it had distributed the letters for information but that appropriate invitation letters would be issued by the ACP.

88. The African Union Commission reminded the Ministers of their decision to hold a meeting of the African Group in Sao Paulo on the 10th of June, 2004, prior to the opening of UNCTAD XI. The meeting would precede those of the G77 and China scheduled to be held on 11 and 12 June, 2004 respectively and allow the African Group to coordinate its positions vis-à-vis the UNCTAD XI text and more specifically with regard to issues which had not gathered consensus at the level of the Preparatory Committee. All Member States were invited to participate in the meeting.

Agenda Item 9: Date and Venue of the 3rd Ordinary Session of the AU Conference of Ministers of Trade, Customs and Immigration

89. The Egyptian delegation offered to host the 3rd Ordinary Session of the Conference in Cairo, Republic of Egypt, following which the Kenyan delegation also expressed its wish to host the Conference in Nairobi, Kenya the following year. After an exchange of views, the Ministers decided that Egypt and Kenya could host the meeting consecutively and that both countries should consult and inform the meeting later.

90. After consultations, it was agreed that Egypt would host the 3rd Ordinary Session of the Conference of Ministers of Trade in 2005 while Kenya would host the 4th Session in 2006. The delegation of Egypt highlighted the friendly spirit in which discussions took place between the two parties on the issue and seized the opportunity to invite the meeting to Cairo in 2005.

Agenda Item 10: Adoption of Ministerial Outcome, i.e. Decisions, Declaration and Consensus on the Post-Cancun Doha Work Programme and Communiqué on UNCTAD XI

91. The Conference adopted its decisions as contained in the Report, the Kigali Declaration on the Doha Work Programme, the Kigali Consensus on the Post-Cancun Doha Work Programme and the Kigali Communiqué on UNCTAD XI.

Agenda Item 11: Vote of Thanks

92. A vote of thanks was read by H.E.KYEREMANTEN Alan J. Minister of Trade, Industry & President's Special Initiatives of Ghana on behalf of the Conference, in which he expressed the deep gratitude of Ministers to H.E. Paul Kagame, President of the Republic of Rwanda, the Government and People of Rwanda for the warm hospitality and the cordial reception extended to all delegations to the Second African Union Conference of Ministers of Trade as well as for their contribution to the realisation of the goals of the African Union. He also underscored that the Kigali meeting had afforded them the platform to adopt the Kigali Declaration on the Doha Work Programme, and its Annex, the Kigali Consensus on the Post-Cancun Doha Work Programme, as well as the Kigali Communiqué on UNCTAD XI.

Agenda Item 12: Closure

93. In his closing statement, H.E. the Rt. Hon. Prime Minister of Rwanda, Bernard MAKUZA highlighted progress made in the discussion of various items on the agenda, namely the way forward in WTO and EPA negotiations, action underway in the creation of the African Common Market, Africa's interests in AGOA as well as the need to promote capital flows, technical know-how and quality standards, the necessity to break traditional barriers in order to empower women, and other issues. He also underlined the need for Africa to remain united and adopt common positions in their dealings with the developed world. He then declared the meeting closed.

EX.CL/117 (V)
Annex II

KIGALI DECLARATION
ON THE DOHA WORK PROGRAMME

KIGALI DECLARATION
ON THE DOHA WORK PROGRAMME

We, the Ministers of Trade of the Member States of the African Union met in Kigali, Rwanda from 27 to 28 May 2004 to consider a number of issues of critical importance to the development of Africa, including a review of the state of play and an examination of the possibility of making progress in the WTO Doha Work Programme.

Recognizing the positive role that an equitable and rule-based multilateral trading system can play in promoting global economic growth and trade and in raising the living standards of our people;

Recalling the Mauritius Ministerial Declaration on the 5th Ministerial Conference of the WTO;

Affirming the Dakar Declaration adopted by the 3rd LDC Trade Ministers Meeting;

Underscoring the urgency of reviving the stalled WTO negotiations;

Concerned that despite efforts made by the WTO Membership to find common ground on key issues of interest to Africa, there remains areas that require further work and flexibility;

Considering the forthcoming WTO General Council Meeting scheduled for July 2004, an important milestone in our collective endeavour to achieve a successful conclusion of the work programme established by the Fourth Session of the WTO Ministerial Conference;

Welcoming the recent positive initiatives to inject a new momentum in the current trade negotiations;

Recalling that the Doha Ministerial Declaration places development at the heart of the Doha Work Programme, and reiterating that this accords with Africa's fundamental objectives;

Accordingly we have adopted the Kigali Consensus on the Post Cancun Doha Work Programme annexed to this Declaration as a basis for the negotiations and we are committed to engage in a continued constructive manner;

We thank the Government and the People of the Republic of Rwanda for hosting the meeting, for the warm hospitality extended to us and for the excellent facilities put at our disposal.

Done in Kigali, Rwanda on 28 May 2004.

EX.CL/117 (V)
Annex III

KIGALI CONSENSUS ON
THE POST-CANCUN DOHA WORK PROGRAMME

KIGALI CONSENSUS ON **THE POST-CANCUN DOHA WORK PROGRAMME**

AGRICULTURE

1. In working towards the Framework on the Agriculture negotiations, there is a broad consensus that such a framework shall only be the staging point on the road to modalities for the negotiations. The African countries urge that the modalities shall take fully into account the development needs and concerns of Africa. In this context, appropriate S&D measures shall be incorporated. We also welcome the recent initiative in favour of weak and vulnerable economies.

2. The guiding principles and positions of AU Member States on the three pillars of the Agreement on Agriculture are:

- That further reform for agriculture should aim to attain the objectives as set out in the Doha mandate. Each Round of agriculture negotiations should take into account the need for appropriate policy space that would allow African countries to pursue agricultural policies that are supportive of their development goals, poverty reduction strategies, food security and livelihood concerns
- That the “Framework”, and the associated Modalities to be agreed upon, should address themselves fully on all the three pillars, in a balanced and equitable manner,
- That, in accordance with the Doha mandate, binding, precise and effective S&D is an integral part of all elements of the negotiations on agriculture,

Market Access:

- The need for participants to undertake to take account of the importance of preferential access for developing countries. The further considerations in this regard will be based on paragraph 16 and other relevant provisions of the revised First Draft of Modalities for the further commitments (TN/AG/W/1/Rev.1 refers),
- African countries remain concerned with the use of the blended formula as is currently set out in the Derbez text. Any tariff reduction formula to be agreed upon should fully take into account African needs and development concerns,
- Improved market access for the agricultural products of African countries, both in primary and processed forms,
- NTB's constitute obstacles to Market access for Agricultural Products of African countries, including SPS and TBT should be fully addressed in parallel with tariff reductions,
- Developed countries shall provide bound duty- free and quota- free market access for all products originating from LDCs with realistic, flexible and simplified rules of origin. Furthermore, the potentials that exist in certain developing countries to extend such facilities should be fully exploited;
- Developing countries shall be provided with the flexibility to self-select tariff lines as special products (SP).
- A special agricultural safeguard mechanism (SSM) shall be established for use by developing countries.

- The use and duration of the special safeguard for developed countries remains to be negotiated.

Tariff peaks and escalation

- The importance of enhancing market access by addressing tariff peaks and tariff escalation, particularly in the markets of developed WTO Members for products of export interest to Africa. In addressing the issue of tariff peaks and tariff escalations, the interests of preference receiving countries shall be fully taken into consideration.

Tariff quota regimes

- The imperative to develop more simplified and transparent tariff quota regimes that provide improved and measurable market access benefits to African countries. Attachment 1 of TN/AG/W/1/Rev.1 should serve as a reference for further S&D on this issue.

Domestic Support

- All forms of trade-distorting domestic support measures by developed countries to be substantially reduced
- The scope of Article 6.2 shall be maintained and expanded in line with attachment 10 of TN/AG/W/1/Rev.1 and may include any other measures meeting the criteria set out in this Article.
- There is need to enhance transparency by improving the disciplines on notifications. In this regard, the notification requirements for developing countries should be simplified.

De minimis:

- Developed countries should eliminate the 5% de minimis domestic support.
- S&D provisions should allow for additional flexibilities for African countries.

Amber Box

- The substantial reduction in the Amber Box measures with a view to their phasing out.

Blue Box

- The substantial reduction in the current Blue Box measures with a view to their phasing out.

Green Box

- The review of trade-distorting elements of Green Box support measures provided by developed countries and the development of tighter disciplines for elements of the Green Box through *inter alia* notification, surveillance and monitoring.

- Domestic support measures consistent with Annex 2 of Agreement on Agriculture shall be enhanced for developing countries. Attachment 9 of TN/AG/W/1/Rev.1 provides a good basis for further work on this issue.

Box shifting

- Members agree to establish a permanent mechanism/modalities as part of the overall framework/modalities to prevent Members from transferring subsidies between and within boxes.

Export Competition:

- A commitment to phase out all forms of export subsidization by a date certain should be an integral part of the Proposed Framework on Agriculture; the specific date will be negotiated.

Measures in favour of Least Developed and Net-Food Importing Developing Countries

Taking into consideration the Marrakech Decision on Measures concerning the Possible Negative Effects of the Reform Programme on Least Developed Countries and Net-Food Importing Developing Countries in terms of availability of adequate supplies of basic foodstuffs from external sources on reasonable terms and conditions and of resolving the short-term difficulties in financing normal levels of commercial imports of basic foodstuffs,

- [We urge that this Decision be speedily implemented.](#)
- [We also urge WTO Members to expeditiously establish binding and effective special and differential provisions in favour of LDCs and NFIDCs in the development of disciplines on export credits.](#)

Food Aid

- Food aid provided by Members to meet emergency situations and humanitarian and development objectives, and to address the chronic food deficit situations in Africa should comply with transparency rules relating to notification, surveillance and monitoring.

Other Issues:

- LDCs shall be exempted from reduction commitments.
- The importance for Developing countries to continue benefiting from the special and differential treatment of Article 9.4 of the Agreement on Agriculture is underscored.
- There is need to ensure that State Trading Enterprises from developing countries are exempted from additional disciplines taking into account the role they play in promoting national development goals and objectives. Attachment 3 of TN/AG/W/1/Rev.1 should serve as reference for further work on this issue.

SECTORAL INITIATIVE ON COTTON

3. We endorse the proposals submitted in the WTO by the sponsors of the cotton initiative as contained in document WT/GC/W/516 of 7th October 2003 and call upon all WTO Members to urgently adopt those proposals which, inter alia include: -

- Total elimination of export subsidies over a period of three years and on domestic support related to production over a period of four years with effect from 1ST January 2005 and
- Establishment of a support fund to support the cotton sector.

4. The conclusions of the cotton workshop that was held in Cotonou, Benin on 23-24 March 2004, especially with regard to the development-aspects of this Sectoral initiative, should be implemented as quickly as possible in order to strengthen the cotton sector in the African producer countries. We underscore that the full and effective settlement of this issue should take into consideration the trade-related elements to be adopted by the WTO through a decision aiming at the elimination of the domestic support and subsidies granted for the production and export of cotton.

5. ~~African Ministers are invited to make a political call on the~~ We call on our development partners to provide, in the framework to be achieved by July 2004, a clear commitment to speedily and substantially address both the trade-related aspects of the Initiative, and their development-related counterparts, in a “fast-track” process. Only in such a process can the dire situation of African farmers be faithfully and fairly addressed.

NON-AGRICULTURAL MARKET ACCESS (NAMA)

6. We are concerned that that the proposals contained in the Derbez Text and its annex on NAMA are in contradiction of the principle of less than full reciprocity as enshrined in the Doha mandate and as such would further deepen the crisis of de-industrialisation and accentuate the unemployment and poverty crisis in our countries. In this regard, we welcome the recent initiatives in favour of weak and vulnerable economies. It is, therefore, imperative that the agreed Framework provides “policy space and flexibility” to allow African countries to undertake industrial policy and national development objectives by ensuring the following:-

- The formula to be agreed upon needs to be such as to allow the operationalization of meaningful and binding Special and Differential Treatment for developing countries, including the principle of less than full reciprocity. In this respect, it should be emphasised that the non-linear approach does not provide the basis for equitable results. African countries need flexibility for their development and industrial objectives,
- Bound duty free and quota free market access by developed countries for products of LDCs with realistic, flexible and simplified rules of origin. LDCs shall be exempted from making reduction commitments.
- Due to the critical importance of preferences for African countries, solutions to the question of preference erosion should be obtained within the WTO negotiations. In this respect, a sectoral approach would be detrimental to African preferences in major export markets. A suitable carve-out should be made in favour of African

economies/exports. It should be stressed that work on preference erosion should not be outsourced to other multilateral institutions,

- The issue of tariff bindings should be approached in a way that creates incentives to those countries that have not bound their tariffs to do so. In this regard, the binding of tariffs should be acknowledged as the main contribution to this round by those countries that decide to do so,
- The framework should ensure that non-tariff barriers are addressed in parallel with tariff reductions as NTB's have, in many instances, nullified existing market access opportunities for African exports,
- On the issue of appropriate studies and capacity building, direct linkage should be drawn between progress in the negotiations and the results and findings of specific studies.

SINGAPORE ISSUES

7. We have consistently been concerned with the potential serious implications of the Singapore issues on African economies. However, we have remained engaged in the discussions. We note that there is increasing convergence of views, amongst the WTO Membership, regarding the development of a more precise and focussed work programme on the issue of trade facilitation. Before any agreement on negotiating modalities by explicit consensus, a number of issues should be clarified first. These include, inter alia, the need to address the resource and capacity constraints of developing countries, the costs of implementing the new rules and how and by whom the costs will be met. It is also necessary to have clarity on its applicability to the dispute settlement mechanism and whether the new rules will be binding or not. We welcome the emerging consensus to drop from the Work Programme the issues relating to trade and investment, trade and competition policy and transparency in government procurement.

TRIPS ISSUES

8. On 30th August 2003, WTO Members adopted the Decision to implement paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health. Members have, since December 2003, engaged in informal consultations aimed at putting in place the permanent amendment envisaged in Paragraph 11 of the Decision. In this regard, we call for the expeditious amendment of Article 31 of the TRIPS Agreement.

9. WTO Members have since 1999 engaged in discussions on the review foreseen in Article 27.3(b) of the TRIPs Agreement. The positions of Members have remained divergent on many elements of the review. However, a common understanding has been reached on some elements. African countries call for the adoption of a decision on those elements on which Members have reached a common understanding.

SERVICES

10. We are concerned that no African country has thus far submitted an offer in the current phase of the services negotiations. As we seek to critically evaluate this state of affairs and in view of the increasingly critical role of the services sector to our economies, we call on all development partners to provide increased and targeted technical assistance to African countries, at the country level, in order to assist them participate more effectively in these round of services negotiations.

11. African countries welcome the adoption, in September 2003, of the modalities for the special treatment of LDC's and call for their speedy and full implementation.

12. Further, we emphasise that: -

- liberalization should respect the principle of progressive liberalization, as stipulated in the GATS, and promote and facilitate the participation of African countries in international trade in services,
- liberalization by developed countries should include sectors and modes of export interest to African countries, particularly through mode 4 (movement of natural persons),
- due respect must be given for the Member's right to regulate trade in services and liberalize according to their national policy objectives.,
- the negotiations should be conducted in accordance with agreed "Guidelines and Procedures" adopted by the Council on Trade in Services in March 2001.
- the assessment exercise should be completed by a specific target date with specific outcomes to be adopted and reflected in adjusting the negotiations;
- The expeditious completion of work in the rule-making area so as to restore the balance between the market-access and rule-making tracks,
- The services negotiations should reach a well-balanced outcome.

WTO RULES

13. Most African countries have only recently implemented the Anti-dumping Agreement and the Agreement on Subsidies and Countervailing Measures and only now are starting to develop a practice in compliance with those agreements. As such we stress that the introduction of more complex rules and disciplines at this point in time would be counter-productive and would negatively affect the African countries' rights under these two agreements.

14. Furthermore, we urge that the development aspects are taken fully into account in the negotiations aimed at clarifying and improving disciplines and procedures relating to regional trade agreements as mandated by paragraph 29 of the Doha Ministerial Declaration.

WORKING GROUPS ON TRADE AND TRANSFER OF TECHNOLOGY AND ON TRADE, DEBT AND FINANCE

15. We call for more focused work in these working groups in order to find durable solutions to the problem of external indebtedness of African countries; and increase in the inflow of appropriate technology and finance to the African continent.

TRADE AND ENVIRONMENT

16. The work in the committee on trade and environment special session has continued with significant engagement by developing countries. ~~Any outcome under these~~ We reaffirm that the negotiations ~~must~~ should take into account ~~take on board~~ the concerns of developing countries and ~~provide the necessary policy space~~ the concerns of developing countries.

DISPUTE SETTLEMENT UNDERSTANDING

17. Paragraph 30 of the Doha Ministerial Declaration provides for negotiations aimed at improving and clarifying the dispute proposals to the special session of the DSB that would enhance the participation of African countries in the dispute settlement system.

18. According to the mandate the negotiations on this issue were to be completed by end of May 2003. This deadline was missed and given the lack of progress in the work of the special session, it is likely that the extended deadline of end of May 2004 will also be missed. We therefore urge the special session of the DSB to expedite completion of the DSU negotiations taking into account African concerns with the accessibility and affordability of the system.

SPECIAL AND DIFFERENTIAL TREATMENT

19. As an issue of critical importance to African countries, the lack of tangible progress on this issue and the failure to meet the Doha mandate is cause for apprehension. We stress the need for Africa's development partners to engage positively on this subject that is at the core of the development agenda contained in the Doha work programme by accepting those proposals that developing countries consider as being of economic value and as providing sufficient policy space before embarking on the work on cross-cutting issues. In this regard, African countries call for:-

- The conduct of all the work on the review of the provisions on S&D in the Committee on Trade and Development Special Session,
- Addressing of all the Agreement-specific Proposals as a matter of priority,
- The setting of a specific time-frame for the goal of making all S&D provisions more precise, effective and operational.

IMPLEMENTATION ISSUES

20. Most issues and concerns regarding the experience of developing countries in their implementation of the outcome of the Uruguay Round of negotiations remain outstanding. Being a long-standing agenda pursued by developing countries, the lack of progress, despite the political and negotiating capital expended on the subject, illustrates the lack of willingness by the developed countries to engage on issues of interest to developing countries. In this regard, we call for the adoption of a work programme that provides for a clear road-map with time-bound and specific benchmarks for the expeditious fulfilment of the mandate on outstanding implementation issues.

LDCs

21. We affirm the Dakar Declaration adopted by the 3rd LDC Trade Ministers Meeting. In addition, we request for the convening of an international conference as soon as possible in which LDC's and their development partners aim at setting up an efficient mechanism on the follow-up to the implementation of the Integrated Framework.

COMMODITY ISSUES

22. The sharp decline and fluctuation of prices of commodities has created a crisis in most African commodity exporting countries, the majority of whom are either least-developed countries and/or heavily indebted African countries. Suffice it to say that there is direct correlation between commodity dependence and poverty levels especially in instances of declining prices. We urge the WTO membership to expeditiously address the issues of declining commodity prices taking into account the elements that have been identified as key issues for negotiations as contained in Documents WT/COMTD/W/113 and WT/COMTD/W/130.

SMALL ECONOMIES

23. As an issue of significant importance to a number of African countries, it is imperative that WTO Members adopt measures that would facilitate the fuller integration of small, vulnerable economies into the multilateral trading system. In this regard, Members should adopt substantive, results-oriented trade related measures in favour of small, vulnerable economies by 1st January, 2005.

COHERENCE.

24. The issue of coherence has been confined to institutional coherence between the WTO and the Bretton Woods institutions. However, the emphasis should be on the coherence between the policy advice given to developing countries by the Bretton Woods institutions and their WTO obligations. In this regard, we call for the closer coordination between these institutions in order to implement the coherence mandate. Moreover, the negotiating processes at the multilateral, regional and bilateral levels should be conducted in a coherent manner.

ACCESSION

25. On this subject, it is worth noting that no African country has acceded to the WTO since its establishment in 1995. WTO members should fully implement the “Guidelines on WTO accession procedures for LDCs” adopted by the General Council in December 2002 without seeking excessive and strenuous commitments from them in order to facilitate the accession of African LDCs into the WTO. ~~We request Further, the~~ WTO members ~~could be requested~~ to respond speedily to African countries that have applied to commence their accession process and also refrain from making excessive or onerous demands on the applications of African countries during the accession negotiations.

OBSERVER STATUS

26. We reiterate that the long outstanding request for the granting of Permanent Observer Status to the African Union in view of the AU’s trade policy mandate should be treated as a matter of priority by an urgent Decision of the WTO General Council. The African Group in the WTO is instructed to take immediate steps for necessary follow-up action.

27. We also request for the prompt resolution of other pending applications for observer status in the WTO bodies, which should be granted on the basis of objective criteria.

TECHNICAL COOPERATION

28. At Doha, we confirmed technical assistance and capacity building “as core elements of the development dimension of the multilateral trading system”. Developed countries undertook to

provide technical assistance and capacity support to developing and in particular, least-developed countries. In this regard, the existing delivery mechanisms especially the Integrated Framework and the JITAP should be adequately resourced and the JITAP should be expeditiously extended to all African countries. Further, emphasis is placed on the need for the delivery of targeted technical assistance and capacity building support to address the special needs of African countries in post-war and conflict situations.

29. We welcome the Memorandum of Understanding (MOU), signed in Cancun, between UNIDO and WTO, which formalises a closer relationship between both organizations. The agreement aims to improve, in a tangible manner, the supply side capacities of developing countries, mainly through the diversification and increase in the value added of their exports. We further note with satisfaction that the first phase of the WTO/UNIDO joint programme on technical assistance is under implementation and several kick-off seminars have already taken place.

EX.CL/117 (V)
Annex IV

KIGALI COMMUNIQUÉ ON UNCTAD XI

KIGALI COMMUNIQUE ON UNCTAD XI

We, the Ministers of Trade of the Member States of the African Union, met in Kigali, Rwanda on 27 – 28 May 2004, to consider a number of issues of critical importance to the development of Africa, including the preparations for the Eleventh Session of the United Nations Conference on Trade and Development (UNCTAD XI) to be held in Sao Paulo, Brazil from 14 to 18 June 2004,

Recognizing UNCTAD as the focal point within the United Nations to facilitate the integrated treatment of trade and development on the one hand and the inter-related issues in the areas of finance, technology, investment and sustainable development on the other;

Reaffirming the important role of UNCTAD in enhancing coherence and synergy between national development strategies and global economic processes aiming at economic growth and development, particularly in developing countries;

Call for:

- 1.** The strengthening of UNCTAD's role in addressing in a holistic manner the inter-relationships between trade and development policies at the multilateral, regional and national levels;
- 2.** The strengthening of UNCTAD's role, *inter alia*, as a forum for facilitating consensus building on issues in the international economic and trade agenda;
- 3.** The adequate resourcing of UNCTAD in its implementation of the sub-programme on Africa as well as the Office for the Least Developed, Land Locked and Small Island Developing States;
- 4.** Enhancing the cooperation between the UNCTAD Secretariat, the AU Commission, the ECA and the Secretariats of the Regional Economic Communities with a view to achieving a focused work programme on issues of critical importance to Africa, *inter alia*, regional economic integration and the problem of commodity dependence of most African economies.

Done in Kigali, Rwanda on 28 May 2004.

2004

Report of the chairperson on the 2nd Ordinary Session of the conference of AU ministers of trade held in Kigali, Rwanda from 24 To 28 May, 2004

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